



This update provides new information for 2004 for many items such as Social Security taxes and benefits. By law, these numbers change automatically each year to keep the program up to date with increases in price and wage levels. Whether you are working or you are already getting Social Security benefits, these changes are important to you.

## Information for people who are working

<b>Social Security and Medicare taxes</b>		
<i>Social Security taxes</i>	<b>2003</b>	<b>2004</b>
Employee/employer (each)	6.2% on earnings up to \$87,000	6.2% on earnings up to \$87,900
Self-employed * Can be offset by income tax provisions	12.4% * on earnings up to \$87,000	12.4% * on earnings up to \$87,900
<i>Medicare taxes</i>	<b>2003</b>	<b>2004</b>
Employee/employer (each)	1.45% on all earnings	1.45% on all earnings
Self-employed * Can be offset by income tax provisions	2.9% * on all earnings	2.9% * on all earnings
<b>Work credits—When you work, you earn credits toward Social Security benefits.</b> You need a certain number of credits to be eligible for Social Security benefits. The number you need depends on your age and the type of benefit for which you are applying. You can earn a maximum of four credits each year. Most people need 40 credits to qualify for retirement benefits.		
	<b>2003</b>	<b>2004</b>
	\$890 earns one credit	\$900 earns one credit

## Information for people who receive Social Security benefits

<b>Earnings limits</b>		
Under federal law, people who are receiving Social Security benefits who have not reached full retirement age are entitled to receive all of their benefits as long as their earnings are under the limits indicated below. In 2004, the full retirement age is 65 and 4 months. The full retirement age will increase gradually each year until it reaches age 67 for people born in 1960 or later.		
	<b>2003</b>	<b>2004</b>
At full retirement age (age 65 and 4 months) or older	No limit on earnings	No limit on earnings
Under age 65	\$11,520 For every \$2 over the limit, \$1 is withheld from benefits.	\$11,640 For every \$2 over the limit, \$1 is withheld from benefits.
In the year you reach full retirement age	\$30,720 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age.	\$31,080 For every \$3 over the limit, \$1 is withheld from benefits until the month you reach full retirement age.
<b>Disability beneficiaries' earnings limits:</b> If you work while receiving disability benefits you must tell us about your earnings no matter how little you earn. You may have unlimited earnings during a trial work period of up to nine months (not necessarily in a row) and still receive full benefits. Once you have completed your nine-month trial work period we will determine if you are still entitled to disability benefits. You may also be eligible for other work incentives to help you make the transition back to work.		
Substantial Gainful Activity (Non-blind)	\$800 per month	\$810 per month
Substantial Gainful Activity (Blind)	\$1,330 per month	\$1,350 per month
Trial work period month	\$570 per month	\$580 per month

(over)

## Information for people who receive Supplemental Security Income (SSI)

Monthly federal SSI payment (maximum)		
	2003	2004
Individual	\$552	\$564
Couple	\$829	\$846
Monthly income limits		
Individual whose income is only from wages	\$1,189	\$1,213
Individual whose income is not from wages	\$572	\$584
Couple whose income is only from wages	\$1,743	\$1,777
Couple whose income is not from wages	\$849	\$866
<p><b>NOTE:</b> If you have income, your monthly benefit generally will be lower than the maximum federal SSI payment. Remember, you must report all of your income to us. Some states add money to the federal SSI payment. If you live in one of these states, you may qualify for a higher payment. Your income can be greater than the limits indicated and you still may qualify.</p>		

## Information for people on Medicare

Most Medicare costs are increasing this year to keep up with the rise in health care costs.		
	2003	2004
<b>Hospital Insurance (Part A)</b>		
For first 60 days in a hospital, patient pays	\$840	\$876
For 61st through 90th days in a hospital, patient pays	\$210 per day	\$219 per day
Beyond 90 days in a hospital, patient pays (for up to 60 more days)	\$420 per day	\$438 per day
For first 20 days in a skilled nursing facility, patient pays	\$0	\$0
For 21st through 100th days in a skilled nursing facility, patient pays	\$105 per day	\$109.50 per day
<p><b>Part A Premium Buy-In:</b> The amount of the premium you pay to buy Medicare Part A depends on the number of Social Security credits you have earned. If you have:</p>		
40 credits	\$0	\$0
30-39 credits	\$174 per month	\$189 per month
less than 30 credits	\$316 per month	\$343 per month
<b>Medical Insurance (Part B)</b>		
Premium	\$58.70 per month	\$66.60 per month
Deductible	\$100 per year (no change)	\$100 per year (no change)
	After the patient has paid the deductible, Part B pays for 80 percent of covered services.	
<p><b>NOTE:</b> If you get Medicare and your income is low, your state may pay your Medicare premiums and, in some cases, your deductibles and other out-of-pocket medical expenses. Contact your local medical assistance (Medicaid) agency, social services or welfare office for more information.</p>		